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Director and Chief Medical Officer

FRED LEAF
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DEPARTMENT OF HEALTH SERVICES
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March 29, 2004

TO: Each Supervisor

FROM: Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

A handwritten signature in blue ink, reading "Thomas L. Garthwaite", is written over the printed name and title.

**SUBJECT: ANNUAL REPORT OF FAST TRACK ADMISSIONS AND VISITS -
CALENDAR YEAR 2003**

This is to provide the subject annual report pursuant to the Fast Track Admission Policy approved by the Board on December 7, 1999 and the amended Fast Track Admission and Visit Policy approved August 13, 2002 which enabled negotiations for outpatient services.

The Fast Track Admission and Visit Policy allows the Director of Health Services, or his designee, to negotiate patient-specific payment rates for inpatient and/or outpatient services and enter into single-instance, per admission or per visit agreements with private payors (i.e., government agencies, private Health Maintenance Organizations, indemnity insurance plans, etc.), to treat specific patients at County Health Facilities.

For the Calendar Year 2003, payment terms were negotiated for 42 inpatients and 15 outpatients under the Fast Track Admission and Visit Policy, encompassing a total of 1,124 inpatient days and 15 outpatient visits. The services provided to these patients had an estimated variable cost of \$1.1 million and are projected to generate \$1.6 million in reimbursement to the County (see attached). Since the inception of the Fast Track Program in January 2000, we have treated 304 patients for a total of 7,217 inpatient days and 15 outpatient visits at an estimated variable cost of \$6.3 million and projected reimbursement of \$9.4 million.

Each Supervisor
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The suspension of High Desert Hospital's inpatient services had a material impact in the total Fast Track agreements negotiated during this calendar year.

We will continue to monitor Fast Track Admission and Visit activity on a monthly basis and will submit the annual report for Calendar Year 2004 by approximately March 30, 2005.

If you have questions or desire additional information, please let me know.

TLG:ca (nstewart\Fast track\annualFT03-ca.doc)
304:015

Attachment

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
REVENUE MANAGEMENT DIVISION
FAST TRACK ADMISSIONS AND VISITS

CALENDAR YEAR 2003

| Calendar Year | Type Of Stay | Number Of Patients ⁽¹⁾ | Number Of Days/Visits | Hospital Charges | Estimated Variable Cost | Expected Reimbursement ⁽²⁾ | Payments Received To-Date |
|--------------------|--------------|-----------------------------------|-----------------------|----------------------|-------------------------|---------------------------------------|---------------------------|
| 2003 | Inpatient | 42 | 1,124 | \$ 6,247,299 | \$ 1,055,813 | \$ 1,617,192 ⁽³⁾ | \$ 1,072,621 |
| | Outpatient | 15 | 15 | 18,676 | 5,155 | 9,790 | 7,974 |
| 2002 | Inpatient | 94 | 2,020 | 10,923,929 | 1,559,056 | 2,449,251 ⁽⁴⁾ | 2,102,236 |
| | Outpatient | 10 | 10 | 9,900 | 3,620 | 4,995 | 4,780 |
| 2001 | Inpatient | 94 | 3,126 | 15,089,019 | 2,769,515 | 4,053,143 ⁽⁵⁾ | 3,932,133 |
| 2000 | Inpatient | 49 | 922 | 4,642,059 | 877,281 | 1,226,670 ⁽⁶⁾ | 1,218,716 |
| Total | Inpatient | 279 | 7,192 | 36,902,306 | 6,261,665 | 9,346,256 | 8,325,706 |
| | Outpatient | 25 | 25 | 28,576 | 8,775 | 14,785 | 12,754 |
| Grand Total | | <u>304</u> | <u>7,217</u> | <u>\$ 36,930,882</u> | <u>\$ 6,270,440</u> | <u>\$ 9,361,041</u> | <u>\$ 8,338,460</u> |

Notes:

- (1) Non-compliance with Fast Track Agreements may result in a decrease in the number of patients reported. As a result, the number of patients may change if payments are not received pursuant to Fast Track terms and conditions.
- (2) Per Policy the negotiated rate must not be less than the higher of the County's inpatient Medi-Cal per diem contract rate currently in effect, or the hospital's estimated average variable cost for the applicable inpatient service and negotiated outpatient payment rates not less than the applicable County hospital's estimated average variable cost for the applicable outpatient service.
- (3) FY 01-02 estimated average variable cost for service provided.
- (4) FY 00-01 estimated average variable cost for service provided.
- (5) FY 99-00 estimated average variable cost for service provided.
- (6) FY 98-99 estimated average variable cost for service provided.